ROSE

RADICAL OPTIONS FOR SCOTLAND AND EUROPE

Issue 3: Winter 2024/25

And Much More on 'The New Age of Austerity' Inside.

For Public Ownership and Democratic Control

CONTENTS

EDITORIAL:
Bringing the Scottish Left Together

Kate Ramsden *welcomes readers to the third issue of ROSE magazine.*

Even those of us on the left who are not Labour party supporters breathed a quick sigh of relief when the Tories were finally ousted as the UK party of government, to be replaced by Labour with a huge majority in terms of seat numbers if not the popular vote.

However the early days of government have not lived up to those small flickers of hope that things would change quickly for the better for a population experiencing rising inequality, low pay, increasing poverty and a lack of opportunity.

Despite the Labour government's (somewhat belated) assurances that austerity is over, there is little in their actions so far to engender a sense of optimism. No lifting of the heinous two child benefits cap, despite the fact that, in one fell swoop this could lift 250,000 children out of poverty. And the removal of the universal cold winter fuel payment for pensioners, to be replaced by a means tested payment that will leave many pensioners facing the prospect of freezing to death this winter.

In this issue we ask the question, is this a "new age of austerity?" And what are the implications for Scotland of the economic policies of the Westminster Labour Government? ROSE founding member John Foster gives an analysis of the UK budget for Scotland and Morning Star editor, Ben Chacko looks at the impact of austerity over the past 13 years and whether we have indeed moved on. Both highlight the key role of the labour movement in grassroots campaigning to demand a more equal society.

The essay by David Byrne builds on the work of the STUC to demonstrate the potential for a Scottish Government with the political will, to maximise its use of existing tax raising to invest in public services and to tackle austerity.

One such grassroots campaign is Unite's "Keep Grangemouth Working" campaign which has sought to engage with the local community to put pressure on both governments to create a genuine "just transition". The campaign itself is described by Unite Convener, Chris Hamilton whilst Friends of the Earth's Rosie Hampton explains why the climate movement stands side by side with the labour movement in this fight.

The implications of austerity for further and higher education are also teased out in this issue. Rab Wilson and Sonya Cassidy talk about the campaign to save the Trade Union Education Centre and the loss to the wider community were that to be sacrificed to a cuts agenda. Fred Bayer, in the first of two articles, looks at Scottish universities' dependence on foreign students to top up their funding and how changes to immigration law will affect this. Both of these have wider implications for working class students in Scotland, further reducing their opportunities to access tertiary education.

"Despite the Labour government's assurances that austerity is over, there is little in their actions so far to engender a sense of optimism."

In a hard-hitting piece, Coll McCail looks at the implications for Scottish Labour of the UK Government's policies and how this might play out in the 2026 Scottish elections. And Vince Mills and Stephen Low take an international perspective on current political challenges, Vince on austerity in Europe and Stephen on the election of Trump in the US.

We thank all our contributors and encourage any readers to consider writing a piece consistent with our vison "for public ownership and democratic control" for our next issue.

The neoliberal agenda is alive and well amongst Western governments of all hues and continues to threaten our citizens in Scotland, the UK and across the world, with the poorest and most vulnerable bearing the brunt.

There has never been a more pressing need for the left to stand together in the interests of our class. We very much hope you enjoy the topics and the political analysis in Issue 3 of ROSE magazine.

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THE UK BUDGET: Wake-up call for public and democratic control in Scotland

*In the lead up to the Scottish budget on 4 December 2024, **Professor John Foster**, joint-secretary of ROSE, analysed for us the implications for Scotland of the UK budget which reflects the centrist policies of the Starmer Labour Government.*

Will the 30 October Westminster budget be of any help to Scotland? A bit.

There's a real terms increase of funding from Westminster of 2.3 percent for 2025-26. This will save the NHS, schools and to a lesser degree housing from the sharp real-term cuts foreseen earlier this year. Some advances in staffing, pay and investment will also be seen across the public sector over the next two years. Less thereafter. However, it remains uncertain how far the increase in employer national insurance for Scotland's NHS, councils and other public service employers will be met at British level. If not, the impact on public finances will be very considerable.

One area that will definitely be hit is privately-owned social care, at the core of the Scottish government's social care plan.

The wider impact on the economy is also uncertain. Some commentators suggest that the impact, especially of the national insurance increase, will reduce growth. Employers will cut employment and reduce investment. The budget's defenders argue that this will be balanced by the investment in infrastructure and education and in the longer run a healthier and better educated workforce.

An issue of particular importance is that of Green Transition and, within that, the question of private versus public ownership. Defenders of the budget claim it is a decisive step towards transition. The windfall tax on oil profits is up by 3 percent to 38 percent for the next five years and oil tax allowances are reduced. But is this sufficient?

The week after the budget the giant Rosebank oil field off the Orkneys received key financial backing from two oil consortia, one Norwegian and the other Israeli.

On the other side of the equation there are the plans announced in the budget for Green Energy. The minister responsible, Ed Miliband claims that it will bring 'British public ownership back into the energy sector'. A welcome aspiration.

GB Energy's headquarters will, as a gesture towards Scotland, be in Aberdeen. The budget gives it significant funding: £8.3 billion with additional access to the £7.3 billion National Wealth Fund. However, the Budget made clear that, in terms of green transition, its role is to facilitate green energy – not to produce it or sell it.

Its remit is to bring together privately-owned companies, or create new ones, that will pioneer or further develop green technologies and use them for the commercial production of green energy. Symbolically its new Aberdeen headquarters will be shared with at least some of these companies.

So, nothing like Tony Benn's Britoil of 1974 that actually produced oil and developed the technologies to do so. Nor are there guarantees that any employment generated will geographically match the loss of jobs in Scotland's oil sector. Production will likely be where green energy is commercially cheapest to produce – which will indeed include Scotland but by no means exclusively.

In terms industrial development the Budget contains a range of interventions, as for other nations and regions, to promote innovation in City Regions. For Scotland this includes further funding for the Innovation Accelerator Project in Glasgow and also for a Green Energy project in East Renfrew.

A more general £0.5 billion Science Fund is to projected to 'unlock' £1.8 billion private investment across all regions and nations.

These interventions from the Centre are very much in line with those initiated previously by Michael Gove in his Levelling Up legislation – as is the institutional framework within which they will operate. They therefore confirm previous indications that the Starmer government will be pursuing 'centralist' policies with little heed for democratic initiatives in Scotland. This is despite earlier commitments to restore the Sewell Convention by which all areas of policy not specifically allocated to Westminster, including industrial policy, will remain with Holyrood.

For ROSE this raises a direct conflict with its founding principles of democratic control and public ownership. It also runs in conflict with most recent research on how to reverse industrial decline. This generally argues that initiatives should be geographically clustered and anchored locally with a core of democratic control and ownership. Recent Scottish history has been scarred by the reverse: frequent and abrupt disinvestments by external owners – shattering, as at Grangemouth, regional clusters that have grown up over generations.

"For ROSE this raises a direct conflict with its founding principles of democratic control and public ownership"

The Secretary of the Royal Society, Andy Haldane, has already issued his warnings about the Starmer government's failure to address the root causes of Britain's internationally low productivity.

He repeated them after the Budget – and the causes are not just external ownership but its character: that the controlling shares within most large firms are now owned by competing investment companies required to maximise income short-term for their investors.

The recent research by Craig Dalzell for Common Weal shows that Scottish industry is particularly dominated by externally-owned companies and this has left Scotland with levels of research and development (R&D) lower even than the low British level. Overseas firms do their research in their home country. Nor does having a lot of overseas firms mean a lot of exports. A sad reflection is found in the Scottish government policy document A Trading Nation of 2019.

This set a target of increasing exports to 25 percent of GDP by 2028. Research by SPICE, the Scottish parliament research department, published in September 2024, found that 'due to events' the percentage of exports had now fallen below 20 percent.

These are the real challenges posed by the Scottish economy – and its struggling workforce.

Starmer's budget represents on one side an attempt to stave off calamity in social services and, on the other, a warmed up version of Michael Gove's centralist intervention with only the skimpiest public sector camouflage. This budget should therefore be a wake-up call to step up campaigning for public and democratic control – requiring devolved and local institutions and a reversal of Johnson's post-EU centralising legislation.

"The Starmer government will be pursuing 'centralist' policies with little heed for democratic initiatives in Scotland."

Irvine & North Ayrshire Trades Union Council

Unity is Strength

MOVING ON FROM AN AUSTERITY AGENDA?

*Morning Star editor, **Ben Chacko** explains clearly how austerity only ever benefits the richest and why neither Labour nor SNP policies will address the growing inequality that is the result.*

OCTOBER'S British Budget was billed by Labour as an end to the era of austerity. It significantly raised some taxes, and increased funding for some sectors sorely in need of it in England (the NHS, education and local government most prominently), while also trumpeting "the largest real-terms settlement since devolution" for the devolved nations, equating to an extra £3.4 billion for the Scottish government to spend next year.

This was hailed as "a step in the right direction" even by the Scottish National Party. It does represent a real difference in approach from the string of Tory Budgets that preceded it and was dubbed an "impressive start" by Scottish TUC general secretary Roz Foyer, who says the SNP can no longer hide behind Westminster austerity as an excuse for failings in Scottish public services.

But it may be too early to celebrate. The end of austerity has been proclaimed several times, even by Conservative governments from Theresa May on, after the emergence of a mass-membership left-led Labour Party from 2015 helped explode the dishonest narrative of the Conservative-Liberal Democrat coalition — that Labour had "maxed out the credit card" when last in power. Austerity was always a misnomer. The phrase on David Cameron and George Osborne's lips when mis-selling it to the public was "we're all in it together": this would be a temporary period of shared sacrifice.

Cameron ludicrously repeated this at the UK Covid Inquiry, though the way the pandemic caught Britain with an NHS already carrying tens of thousands of staff vacancies and what its managers termed a "year-round winter crisis" is probably the single most dramatic example of the damage austerity did to our public services — and how starving them of funds makes the whole country far less resilient in the face of unexpected crises.

By this year the damage done was leading to something akin to multiple organ failure across the body politic.

An NHS with waiting lists over seven million long. Schools literally crumbling as we discovered with the RAAC crisis of late 2023. An ever more unreliable and expensive transport network. A privatised Royal Mail looted by shareholders, unable to deliver mail on time. Huge backlogs in the courts and a prisons' overcapacity crisis.

But there were winners as well as losers from austerity. It was never a collective belt-tightening exercise.

Corporation tax was cut in the very first Conservative-Lib Dem Budget after 2010 and was slashed again and again by Tory administrations, from 28 per cent when they came to power to just 19 per cent by 2023, when it was raised back to 25 per cent by Jeremy Hunt amid the fallout from Liz Truss's disastrous "mini-Budget."

"Austerity is best understood as a transfer of wealth from working-class people — through downward pressure on both their actual and their social wage — upwards."

Privatisation, and spending cuts incentivising outsourcing to the cheapest contractors, drove down wages but proved a bonanza for the rich, which was then exacerbated by the impact of quantitative easing during Covid (which disproportionately rewarded asset-holders) and the subsequent cost-of-profit crisis, in which dramatic rises in the costs of energy, housing and essentials like food are the counterpart to record-breaking profits for the big banks, fossil fuel giants and other large companies. This profiteering scandal has been documented in detail by the Unite union, which this year found average profit margins across 17,000 companies in the UK were up 34 per cent on pre-pandemic levels, rising to 75 per cent for the Big Four banks and 185 per cent for electricity generation companies, for example.

Austerity is best understood as a transfer of wealth from working-class people — through downward pressure on both their actual and their social wage — upwards, and the richest have got steadily richer since 2010. The richest 1 per cent of UK households now own more than the poorer 70 per cent.

Ending austerity is not possible without a redistributive programme that tackles this obscene accumulation of wealth at the top. Labour still boasts about Britain having among the lowest corporation rates in the G7. Tax rises predominantly fell on employers' National Insurance, which is likely to put downward pressure on wages. The government refuses to consider a wealth tax or other measures that would raise sufficient sums to avoid damaging continuations of austerity, such as the two-child benefit cap or the cut to winter fuel payments.

This means — as Labour says openly — that public finances continue to be tight, and the increases in spending announced are not adequate to undo the deep damage of the austerity years or haul local government across Britain out of the financial abyss.

What Labour is not honest about is that it is not the country that is short of funds, but the public sector, because of the government's failure to tap the enormous resources hoarded by the richest.

This gives the SNP some wriggle room to keep blaming Westminster, though as the Scottish TUC has long pointed out, they should be called out for refusing to use Scotland's own tax-raising powers to address the problem. None of this is good enough. Ending austerity is not just about undoing the damage of 14 years of cuts, essential though that is.

We face a range of crises, most dramatically of all climate change but also the impact of the declining economic weight of Western powers in the face of an emerging global South and a self-defeating trade war with China, the world leader in green and renewable technologies. These can only be resolved by sharp increases in public investment — both to build the industries of the future, and to adapt everything from agriculture to urban planning to ever more frequent severe weather events.

There is nothing in either Labour or the SNP's vision that suggests the ambition required to stop these crises leading to further prolonged deterioration in living standards. It is incumbent on the radical left to step up, building a mass movement for an alternative economic strategy that puts pressure on both governments to raise their sights. Rather than fall for partnership models now Britain has a government less explicitly hostile to trade unions, this means the labour movement helping to rebuild the sort of street and community pressure exercises in the early days of austerity by the Coalition of Resistance and later the People's Assembly, which remains the best nationwide vehicle for such activity.

TAX IS A CLASS ISSUE

David Byrne *Emeritus Professor, Durham University, offers a way forward for a Scottish Government to maximise its income through its existing taxation powers, building on the work of the STUC commissioned report by Howard Reed. First published in the Red Paper Collective in 2023 it is reprinted with their kind permission.*

The Scottish Trades Union Congress has performed a singular service for the working class, not only in Scotland but across the whole UK, by commissioning and publishing this excellent report by Howard Reed.

The original impetus was, quite properly for a trade union body, to see how adjustments to the Scottish tax system achievable within the devolved powers Holyrood possesses, could provide a basis for increasing public sector pay. This has fallen substantially in real terms across not only the present phase of high inflation but through years of Tory and SNP austerity, with the latter's massive reduction in the funding of local authority services a particular issue for workers in those services.

However, the STUC has gone beyond that and in so doing has demonstrated that it is now the foremost left-wing force in Scotland, way beyond the Green collaborators in Holyrood or Starmer/Sarwar's Blairite Labour. It is arguing not just for higher and much more redistributive taxes to fund the legitimate claims of workers but for a shift in both tax rates and the tax base to fund universal basic services which constitute the social wage – that part of the real income of households which comes from the value of the public services they receive.

"We urgently need to tax wealth AND to criminalise tax avoidance and lock up tax avoiders and the professionals who facilitate them."

Hence the title of this piece Tax is a Class Issue – a quotation from the great US Eco-Socialist Jim O'Connor in his outstanding book of the 1970s on The Fiscal Crisis of the State. Implementing progressive tax systems is another way for the working class to reduce the level of its exploitation as well as by shifting the balance in the wage/profit relation in favour of workers as opposed to capitalists.

Given the enormous growth in public sector employment in domains in which profit is not directly extracted – although the wholesale privatisation of first nationalised industries and then public services by all UK governments since Thatcher was elected in 1979 means that the domain is smaller than it was – tax is particularly important for public sector workers, the stronghold of the unionised work force. Before proceeding to outline the excellent proposals in the STUC document and developing a discussion of why proposals to tax wealth are particularly important, let me explain some of the important terminology we need to deploy in discussing tax:

TAX RATES – this describes the rates at which any given tax is charged. In media discussion the overwhelming emphasis is on the different rates of income tax. Income tax which is mildly redistributive and a bit more so in Scotland accounts for only 29% of all tax raised. Corporation and Profit Taxes account for 7%, National Insurance – a tax only on earned incomes (because employers' contributions are part of the wage bill) accounts for 21% and is regressive, council tax (regressive) and business rates account for 12% and VAT and other indirect taxes (regressive) account for 31%. The taxes on earned incomes are substantially higher than the taxes on unearned incomes and a good deal of profit income is taken as capital gains through tax avoidance.

TAX BASE – this describes what is taxed. In the UK income from work, pensions, profits / interest / rent; corporate profits; real property i.e. houses and other buildings and some land (although agricultural land is exempt); and consumption through VAT and other taxes. What is not taxed is wealth as such i.e. in economic terms wealth as a stock.

What does Reed's report say? First, it makes an important point about the NET cost of increasing public sector wages and salaries in Scotland. Public sector workers pay taxes and National Insurance contributions on any increase in earned income so part of that increase flows straight back to the Scottish (Income Tax) and UK (NI) governments. For any increase in public sector pay about 25% flows back to the Scottish Government in income tax and a further 18% flows back to the UK government in increased NI and reduced Universal Credit costs so the net cost is under 60% of the gross cost.

Then Reed works through a series of proposals for varying taxes which lie within the scope of the devolved powers of the Scottish government i.e. income tax and any tax which can be levied as a local tax. The Scottish government has the power to introduce new local taxes. His set of proposed adjustments to income tax rates would yield £867 million. They would take nothing from those earning less than £23,650 p.a. and not much from those earning between that income and £40,000 p.a. The main disadvantage of increasing income tax is that because the Scottish government has no tax powers over income from dividends or savings and none over capital gains then there will be significant tax avoidance by high income earners through shifting income into those categories.

Reed has many detailed proposals but I want to focus here on two which are substantively the most important both in terms of raising revenue and politically. First, he proposes that in the medium term Council Tax should be replaced by an annual Proportional Property Tax PPT at 0.6% of dwelling value for main homes and 1.2% for second homes.

"Wealth inequality has grown massively over the last forty years, particularly since quantitative easing after the 2008 financial crash.... increased the value of assets whilst earned incomes fell in real terms."

This would raise £3.3 billion – more than £489 million more than existing Council Tax and have minimal impact on low income households. Council Tax is a bad regressive tax and PPT is a much better option.

However, I would argue that it should be progressive with higher rates at 1% for dwellings worth between £250,00 and £500,000, 1.5% for dwellings worth between £500,001 and £1 million and for dwellings worth more than £1 million at 2%. This would yield much more revenue for local government and would be fairer across generations.

Second, he proposes a wealth tax on all of net property wealth, net financial wealth, physical wealth (goods and chattels), and pension wealth kicking in at total net wealth of £1 million at 0.5% on assets up to £2 million, 1% on assets worth between £1 million and £5 million, and 2% on assets worth more than £5 million. This would yield at least £1.4 Billion and more depending on avoidance (easy for financial wealth) and gets the very rich about whom we have little data into the tax.

In total Reed's proposed changes would increase Scottish tax revenues by £1.3 billion in the short term, mostly from income tax, and £2 billion from longer term (by April 2026) changes, almost all from a wealth tax and a proportional property tax.

First Minister John Swinney and Finance Secretary Shona Robison pictured ahead of the 2024 Scottish Budget (BBC).

The total of £3.3 billion is not large and should be considered in the light of the usual size of the Scottish Fiscal Deficit – the amount by which Scottish public expenditure exceeds the tax revenues raised in Scotland - in a non COVID year at around £15 Billion.

To maintain the current level of public services without the advantage of Scotland's very generous treatment by the Barnett Formula would require a large increase in taxation or a substantial amount of borrowing or both.

One possible new or rather revived element for extension of the tax base not considered by Reed is taxing the imputed net rents of owner occupiers – the real income owner occupiers get from living in dwellings they own net of charges like mortgage interest. This was taxed until 1963 in the UK albeit on very out of date valuations and whilst it was abolished until the 1990s owner occupiers could still claim mortgage interest as an expense against income tax – an enormous advantage.

Imputed rent, like net wealth, is still taxed in Switzerland which may rival the UK as a refuge for tax dodgers' money from other states but has a very sensible internal tax system. Imputed rents constitute 10% of UK GDP and the real income from them is more than 15% of all household income. This very real income – for me with housing property worth about £300,000 it amounts to about £15,000 p.a. – is a massive advantage owners hold over tenants, the old hold over the young, and the rich hold over everybody else.

Wealth inequality has grown massively over the last forty years, particularly since quantitative easing after the 2008 financial crash, caused by greedy rich people, increased the value of assets whilst earned incomes fell in real terms.

In Scotland the middle half of households by income own about half of all wealth, the top 10% own 40% of wealth and the bottom 40% own just 10%.

Lloyd George's People's Budget of 1909 tried to introduce a wealth tax but this was vetoed by the House of Lords who still had the power to change finance bills. The Inheritance Tax he did get through is easily avoided by the very rich. We urgently need to tax wealth AND to criminalise tax avoidance and lock up tax avoiders and the professionals who facilitate them.

Starmer has vetoed a wealth tax but he is wrong to do so and the labour movement must fight for its introduction. By putting this on the political agenda the STUC has done a singular service. By the way, taxing wealth and imputed rents will cause house prices to fall. Switzerland, one of the wealthiest countries in the world, has one of the lowest rates of owner occupation because there is no tax advantage against renting. Good for the young.

Available Online: *Options for increasing taxes in Scotland to fund investment in public services. A report by Howard Reed, Landman Economics, commissioned by the STUC December 2022*

KEEP GRANGEMOUTH WORKING: What Just Transition?

*As Unite's campaign to save Grangemouth Oil Refinery continues, **Chris Hamilton**, Unite convenor explains why the real potential for a proper Just Transition at Grangemouth is being missed and the potential consequences for workers and the community.*

Readers will probably have heard "Just Transition" a hundred times if not more. There are multiple definitions of what a Just Transition is or should be but all are similar in principle. Greenpeace, a well-known climate organisation, defines it simply as "moving to a more sustainable economy in a way that's fair to everyone—including people working in polluting industries". However for an example of what it isn't you just have to look at the situation that's currently happening at my workplace - at Grangemouth, Scotland's last oil refinery.

The Grangemouth oil refinery has been operational for over 100 years - the official opening ceremony took place on the 11th of June 1924. Over the last century not only has it produced fuels for the country, but critically it has provided good well-paid employment for thousands of people. Today the refinery itself is said to employ around 500 people directly but when considering contractors, the supply chain and the wider community we know it's into the thousands of jobs reliant on the site's existence. It's not just me that's saying this - a recent economic impact assessment carried out by PwC said the refinery today, in their assessment, sustained up to 2822 jobs.

For those following the situation at Grangemouth, you will know that the potential closure of the refinery was announced last November and was in effect confirmed by the owners in September this year. In the period between these months but also for years before them, the Grangemouth workers have seen governments of various colours talk about the Just Transition. Unfortunately on this subject, there's an all too common theme. Plenty of talk and no action.

Again, it's not just me questioning the lack of progress. The Just Transition Commission which provides independent advice to the Scottish government said in their September 2023 report "The current path will not deliver a just transition". And that was before the initial closure announcement at Scotland's last oil refinery!

"We are heading to a cliff edge for jobs in 2025."

Ironically of those workers who've already decided to leave, many of the opportunities being taken up are either in the North Sea or abroad in countries like Saudi Arabia.

The simple reason is that this is where jobs are at present that are either equal in terms & conditions or in some cases even better for our current skill set. This same skill set could of course be used in the production of fuels and technologies of the future and this is the critical point to make.

Unite the Union's "Keep Grangemouth Working" campaign has continuously demanded 'Extend, Invest and Transition'. There is and always has been recognition that the Grangemouth refinery and wider complex would have to adapt as any energy transition unfolds. This is why 'Transition' features as one of the campaign demands. Instead of just marking the end of something, it should obviously be an opportunity for the start of something else. And in my view for a Just Transition of workers, it has to be in the correct sequence - deliberately the start of something new before marking the end of the old. Why 'Extend'? Well, rightly or wrongly future technologies aren't coming to Grangemouth tomorrow therefore it's only by extending the current site operation for as long as possible can jobs be maintained. The campaign, which is as strong and active as ever, is ultimately to protect and maintain these critical jobs.

If you have followed the story of Grangemouth on the news or in other media outlets - you will have seen Cabinet Secretary Gillian Martin or Secretary of State for Energy Ed Miliband at some point talk about these future opportunities at Grangemouth. They will tell you they are co-funding a review into a project, which they are. What they aren't so quick to point out however is that they know this particular workstream is years away from coming to fruition.

This means we are heading to a cliff edge for jobs in 2025. Simply put its the closure of one industry years before the next one comes. Sitting back and hoping for the best with respect to the Just Transition isn't going to work for the Government. If we are to wait on private business alone - in my opinion - we may be waiting some time. With thousands of jobs about to be lost the question on everyone's lips is simply - What Just Transition?

"Unite the Union's "Keep Grangemouth Working" campaign has continuously demanded 'Extend, Invest and Transition'."

WHY THE CLIMATE AND LABOUR MOVEMENT STAND IN SOLIDARITY ON GRANGEMOUTH

*In our second article on Grangemouth, **Rosie Hampton**, from Friends of the Earth explains why environmental activists are standing side by side with Grangemouth workers in the fight for a just transition.*

In November 2023, Petroineos announced its plans to convert the Grangemouth oil refinery into an import and export terminal. This decision meant the jobs of 500 workers across the site would be scrapped, in addition to many more across the supply chain and those indirectly employed by the refinery. Three weeks after this announcement, Petroineos sought to assure the Scottish Government's Economy and Fair Work committee that there would be "no change" in the product it would sell to its customers. A stark contrast in attitude, considering they had refused to give evidence to the same committee just three months earlier, regarding how they were developing plans for a just transition at the site. The refinery was Scotland's most polluting site that year – yet that was not the issue at the heart of Petroineos' decision-making. It was clear then, as it is now, that it was not the carbon emissions of the refinery that they were concerned with. Petroineos have only ever been concerned with how to maximise their profits, with their workforce and the climate as collateral damage.

The company's plans epitomize environmental and climate injustice. Petroineos are openly offshoring their carbon emissions for someone and somewhere else to deal with, dealing only with a fully refined imported product. At the time of the announcement, this would have been convenient for the Scottish Government too, as its targets only considered the emissions from domestic activities, rather than factoring in the total picture of consumption-based emissions from imported products. It has since scrapped those climate targets entirely. Nevertheless, this is an intentional blind spot that enables polluters in Scotland like Petroineos to shirk responsibility.

And this calculated omission is only increasing in size – Scotland's carbon 'blind spot' has grown from 18 million tonnes of carbon to 30 million tonnes since 1998. The decision to convert the refinery, with no transition plan, is abhorrent on climate, industrial, and moral grounds.

"If the Scottish and UK governments sit idly by while Petroineos leaves workers on the scrap heap in Grangemouth, it'll be no time at all before we see the same happen with other private energy companies across the sector."

It is hardly surprising that Petroineos has felt emboldened to act with impunity when it comes to the energy transition. The Scottish Government has been conspicuously absent, acting as a powerless stakeholder, feigning frustration over the decisions of private energy companies. An unconvincing act in and of itself, it rings particularly hollow considering that the Scottish Government was well aware of the potential closure plans by November 2023.

The proposals to shift the refinery to an import and export terminal were first put to Michael Matheson, then Cabinet Secretary for Net Zero, Energy, and Transport, in February 2022 – eighteen months before Petroineos unilaterally announced the plans to the workers and the public. In that time, workers and the community of Grangemouth saw no tangible actions that would reassure them of the future of their jobs or community support.

(Workers on the march to Keep Grangemouth Working.)

By contrast, the company have continued to receive public funding and grants from Scottish Enterprise, and from both the UK and Scottish Governments in the form of Project Willow. With no conditionality attached to these grants – on job creation, transition plans, or targeted retraining for Grangemouth workers, for example – Petroineos continues to receive a free pass from both the Scottish and UK governments.

Across Scotland, the market has dictated the pace and the terms of the energy transition. The dearth of any credible just transition plans for any high-carbon industry or supporting community has engendered a feeling of distrust around whether the Scottish Government is up to delivering the task of this generation.

This is felt acutely by the workers and community of Grangemouth. The proposals for the oil refinery, petrochemicals complex, and the wider town itself have been referred to as the 'litmus test' of Scotland's just transition.

From this perspective, the picture of Scotland's just transition from the top down looks bleak. If the Scottish and UK governments sit idly by while Petroineos leaves workers on the scrap heap in Grangemouth, it'll be no time at all before we see the same happen with other private energy companies across the sector.

But from the grassroots, the fightback against an unjust transition is on. Friends of the Earth Scotland stands in absolute solidarity with the workers organising for their future in Grangemouth and for investment into a robust transition plan with workers and their trade unions at the heart. Environmental activists must organise against the corporate capture and co-option of the energy transition, exemplified by companies like Petroineos playing fast and loose with the climate and their workers' livelihoods.

We must challenge the narrative that the climate and labour movement are at odds on this issue. Serious industrial policy and investment is the only way to build a genuinely just transition that secures the futures of workers and the community in Grangemouth and reclaims our energy back from industry cowboys such as Petroineos. Friends of the Earth Scotland will be on every march, every rally, and every picket line that workers in Grangemouth organise until we see a fair and rapid transition at the refinery that leaves no worker behind.

Friends of the Earth Scotland

CAMPAIGN TO SAVE GLASGOW TRADE UNION EDUCATION CENTRE

***Rab Wilson** and **Sonya Cassidy**, on behalf of the TUC Education Centre Tutors, outline the current threat to the Glasgow Trade Union Education Centre in the face of cuts to Further Education funding and why it is an essential resource for a workforce challenging austerity and must be protected.*

The Glasgow Trade Union Education Centre has been a cornerstone of the trade union movement in Scotland for over 30 years. It provides vital training to shop stewards and reps who champion fair and safer workplaces and improved pay for thousands of workers. Despite its success in developing the skills of workers from countless sectors, earlier this year, the centre faced an existential threat when the City of Glasgow College declared it financially unviable, sparking a high-profile campaign to save it. The response was overwhelming with academics, politicians, Trade Unionists, artists and workers uniting in their support for the work of an institution that equips people with the skills and knowledge to fight for workers' interests.

The STUC and the centre's dedicated staff proposed a viable alternative to closure, demonstrating that the centre could be sustainable in the long term. After intense negotiations, the campaign celebrated a victory when a one-year partnership agreement was agreed keeping the centre open. The proposal for closure came during wider industrial action across the FE sector. Is it really any wonder that the centre with a track record of producing trade union activists should be targeted by the bosses?

Despite the viability of the centre being proven, the College leadership remains stubbornly resistant in their approach towards the long-term future of the centre, standing in the way of course bookings from being taken beyond the end of this academic year whilst seeking to reduce staff time for Trade Union Centre work. And so, here we are again, facing the prospect of closure unless we act to save this invaluable institution.

The high quality of the courses offered at the Glasgow Trade Union Education Centre cannot be overstated. The centre's programmes are accredited and respected by employers and provide practical and impactful education to union representatives. They cover a range of important topics, from employment law to health and safety, equipping union reps with the tools they need to make improvements in workplaces across Scotland. Graduates of these programmes have gone on to secure pay rises, improve working conditions, and enforce health and safety standards that protect countless workers.

"This work benefits not only union members but entire communities, as safer and fairer workplaces contribute to a healthier, more resilient society"

This work benefits not only union members but entire communities, as safer and fairer workplaces contribute to a healthier, more resilient society. This work often goes unrecognised by the public, yet they are the frontline defenders of workers' rights, continuing Glasgow, and Scotland's tradition of strong trade union activism - indeed, last year saw a welcome increase in trade union membership across the country. The demand for places on the centre's courses is there and can be evidenced by the enquiries received from various trade unions.

This level of interest underscores a critical point: the centre is meeting a real need in the labour movement and its closure would create a void that no other institution could easily fill.

Closing the centre would mean depriving current and future generations of this invaluable resource. We are at a critical juncture for workers' rights in Scotland with two governments that claim to be committed to improving working conditions. This moment offers a unique opportunity to focus on what truly matters: educating and empowering the next generation of trade union reps to deliver material gains in the workplace. These individuals are vital to building an economy based on the principles of fair work, where workers are valued and treated with respect. By providing union representatives with top-quality education, the Glasgow Trade Union Education Centre contributes directly to a fairer economy and a just society. We must view this issue through the lens of long-term impact.

(Campaigners rally to save the Glasgow TUE on Buchanan Street.)

The centre's closure would not only affect the current cohort of students but would also diminish Scotland's ability to foster well-informed, capable trade union, workplace and community leaders in the years to come. In a time of economic uncertainty and shifting labour markets, trade unions are more essential than ever.

As companies increasingly rely on flexible contracts, part-time work, and gig economy jobs, the need for skilled union reps who can advocate for fair wages, safe working conditions, and job security is only growing. The Glasgow Trade Union Education Centre is more than just a place of learning; it is a lifeline for workers across Scotland. Closing it would be a backwards step. We cannot afford to let this happen. It's time for those in power to step up and secure the long-term future of the Glasgow Trade Union Education Centre. The campaign that saved it last year showed that when we stand together, we can win. Now, we must do so again. The centre must be protected, not just for the sake of today's workers but for the generations that will follow. Let us ensure that the Glasgow Trade Union Education Centre remains a pillar of Scotland's commitment to fairness, safety, and respect for all workers.

Long Live the Glasgow Trade Union Education Centre!

WIDER STILL AND WIDER: The neocolonialism at the heart of Higher Education

*In the first of two articles on the impact of austerity on Higher Education (HE) institutions, **Fred Bayer**, ROSE member and member of UNISON Scotland's HE Committee talks to Sai Shraddha Suresh Viswanathan, the current President of NUS Scotland, on the impact on international students of changes to immigration law.*

The Conservative government decided last year to extend its "hostile environment" immigration policy to student visas ("tier 4 visas"): international students could no longer bring dependent spouses and children while they study here. A decision which, shamefully, the new Labour government has refused to reverse.

This has resulted in a phenomenal downturn in student visa applications. International tuition fees currently range between £10,000-£26,000 per year for undergraduate degrees, and £15,000-£30,000 for postgraduate degrees in Scotland. An outsized proportion of these students are therefore older adults (e.g. with employer sponsorships). Needless to say, people with spouses and children are unlikely to abandon them for several years to get a degree.

This presented a massive problem for our universities: according to calculations by Universities UK, it now costs an average of £13,000 per year to provide a quality university education to a single student. With a domestic student earning each university only £7,000-£10,000 a year, there is a significant funding gap. So universities turned to high-paying international students to make up the difference, becoming financially dependent on them and precipitating a sectoral financial crisis in which Scotland's universities are among the worst affected.

Given the pricing, some might assume most tier 4 students come from wealthy economies in Europe, North America, and Oceania. But in fact, the top 4 countries of origin as of the latest available data (academic year 2021/22) are China, India, Nigeria, and Pakistan, with the US only appearing in 5th place. The US is followed by Bangladesh and Malaysia, with the top EU countries – France and Italy – only appearing in 8th and 9th, respectively. Are our universities being kept afloat by extracting wealth from developing nations?

A first-hand perspective: Sai Shraddha Suresh Viswanathan is the current President of NUS Scotland, the Scottish section of the National Union of Students. She is the first tier 4 student to be elected to this role, having previously served as Vice President for Welfare at the Aberdeen University Students' Association. ROSE had the opportunity to interview Sai at the UNISON 2024 Higher Education Seminar in Dundee, where she was a keynote speaker.

(Sai Shraddha Suresh Viswanathan, NUS Scotland)

"Are our universities being kept afloat by extracting wealth from developing nations?"

On the whole, Sai recognises that the entire funding model in the UK is not sustainable, "nor is it actually funded with students in mind." While the SNP takes pride in abolishing tuition fees, Sai argues that this benefits only a narrow segment of students. "Our college students and apprentices are paying their way through education, paying for their own equipment, and if you look at the amount of SAAS payments provided to university students, it isn't enough to cover their expenses either," she notes.

When it comes to international students, Sai's experience has taught her that all that glitters is not gold. She acknowledges that "Scotland prides itself in being very open" but points out that this openness is somewhat shallow: "Speaking as someone from a former colony of Britain, where Scotland also had an active role in the Empire, we should be taking responsibility for that and safeguarding students coming here, especially from racialised backgrounds."

Sai also highlights the financial strain on international students, noting that "we are still building our wealth on the backs of black and brown students and on the backs of overseas students, especially after Brexit. Students coming here for more global opportunities are being drained out of their pockets, and that's unacceptable."

Asked whether Scotland's current approach to international students is primarily beneficial or exploitative, Sai is clear: "It is very exploitative." Sai criticises universities for using international students in promotional materials while neglecting their actual needs: "Universities pride themselves in welcoming international students for EDI photographs to use in their brochures and promotions. And that's great, but if you don't actually care what everyday life looks like for that student after that fancy picture, it's morally wrong to pride yourself on that."

Sai underscores the economic contributions of international students, noting their £41.8 billion input into the UK economy, with £2.2 billion in Scotland alone. Yet, these students face significant restrictions. "We have no recourse to public funds, we cannot work more than 20 hours a week, and we have to pay to access the NHS," Sai explains, portraying a system that profits from international students while limiting their opportunities and support.

Further impacts: Aside from the direct extraction of money, it bears mentioning that this model also drains these countries – with former British colonies like India, Nigeria and Pakistan topping the list – of their talent. Many international students remain in the UK to work after graduation, and in certain sectors such as health and social care and information technology, we are actively pursuing this as a means of addressing our domestic labour shortage.

But it isn't as though Nigeria, India, Pakistan, and other developing nations aren't in desperate need – even more desperate need than us – of medical professionals and improved IT infrastructure. Where the UK a century ago was exploiting its colonies for gold, spices, and tea, we have now pivoted to exploiting the same countries for cash, doctors, and programmers. Colonialism is alive and well.

Of course, this is just one aspect of the disastrous effect austerity has had on higher education. As Sai touched on, Scottish students also face problems, and the sector as a whole is struggling, as a result of this broken funding model. In the next issue, we will take an in-depth look at how this broken funding model harms Scottish students as well as universities themselves, reducing Scotland's social mobility and heralding a decline in quality of our higher education.

LABOUR’S SCOTLAND PROBLEM

*Here, ROSE member and activist, **Coll McCail** takes an in-depth look at the relationship between the Labour Party in Scotland and the UK and the risk if Scottish Labour cannot carve out a unique offer to the Scottish electorate before the 2026 Scottish elections.*

(Anas Sarwar and Keir Starmwer. Credit: PA)

Scotland will be the “beating heart” of a Labour Government. That was Keir Starmer’s promise to Scots during the general election campaign. On the surface, Labour’s commitment resonated with voters across the country who rewarded the party with 36 new seats, reduced the SNP to a rump and appeared to set Anas Sarwar on course to enter Bute House in 2026. The Glasgow MSP was sure to be “the next king of Scotland”, predicted POLITICO.

Three months later, however, Scottish Labour’s polling has slumped and Sarwar’s ascendence has been thrown into doubt. Lacking a distinct identity or policy agenda and tagged by the UK Government’s faltering efforts to ‘fix broken Britain’, the Scottish Labour Party has proved incapable of capitalising on the Scottish Government’s stasis. The biggest obstacle to a Labour-led Holyrood is not John Swinney– it’s Keir Starmer and Scottish Labour’s refusal to reckon with this reality.

Since he was elected Scottish Labour leader in February 2021, Anas Sarwar has carefully managed his party’s relationship with London, identifying key junctures to adopt positions distinct from, and in contradiction to, the UK leadership. When Keir Starmer imposed his infamous ‘picket line ban’, Sarwar quickly offered his support to striking workers. When UK Labour’s commitment to retain the 2-child benefit cap caused consternation among the party membership, Sarwar broke with Starmer once again to call for the Osborne-era policy to be scrapped. Last year, as Starmer vacillated over his support for an end to Israel’s war on Gaza, Sarwar broke ranks to call for a ceasefire alongside Sadiq Khan and Andy Burnham.

Before July’s general election, these rare but newsworthy interventions served to disguise London’s tightening grip over the Scottish party.

Consequently perceived as standing somewhere to Starmer's left, away from the spotlight Anas Sarwar and his allies were free to centralise power, restrict internal democracy and marginalise the Labour Party's left flank.

The Starmerite think tank Labour Together– which Sarwar had previously dismissed as 'fringe'– bankrolled 17 of Scottish Labour's 37 MPs to the tune of £100,000 during the general election campaign. Those few occasions on which Sarwar correctly identified the prevailing political wind to be blowing against the UK leadership – and acted accordingly – should be understood as exceptions to a rule that has seen Scottish Labour adopt the central tenets of Starmer's leadership.

"Scottish Labour's proximity to the national party has come to substitute for a coherent policy platform in Holyrood."

From fiscal conservatism to ill-defined policy alternatives, like his colleagues south of the border, Anas Sarwar promises not to change Scotland but to better manage the country, steadying the ship rather than changing course. This guarantee combined with a firm opposition to unpopular incumbent governments in both Edinburgh and London served as Scottish Labour's central offer to the electorate earlier this year.

"We can't just send a message in this election, we must send a government," said Sarwar as he launched the campaign and sought to court disaffected SNP supporters. The electorate responded in kind. The primary motivation supporters offered pollsters for backing Scottish Labour was not their 'like' for the party, but their belief that a vote for Labour was the best way to remove the Conservatives from office.

This was enough for Labour to score a significant, but shallow, victory in Scotland. Just 5% of the vote separated Scottish Labour from an SNP rocked by scandal. That John Swinney's party retained as much as 30% of the vote given these circumstances should alarm Scottish Labour, whose primary electoral opponents have shed the trappings of scrappy insurgency and now possess the residual vote of a well-established party. However, these new and returning voters remain very much on loan to Labour. Maintaining their support will depend on overcoming Scottish Labour's present intellectual fragility.

In July, Scottish Labour's gains came without a substantial constitutional offer. There was no promise of further devolution let alone details of the circumstances in which a second independence referendum would be granted. Gordon Brown's much-lauded 'Commission on the UK's Future', which included abolishing the House of Lords, was shelved in favour of empty platitudes. Even a commitment to devolve employment law to the Scottish Parliament, long a key demand of Scotland's trade unions, was absent from the party's manifesto. Fig leaves, like the fact GB Energy would be headquartered in Scotland, filled the space instead. Keir Starmer's muscular unionism was symbolised by the countless union jacks that formed the backdrop to every speech he made. If that wasn't enough, the party's Scottish general election candidates included a former CEO of the Unionist think-tank Scotland in Union and the director of the disastrous Better Together campaign. Scottish Labour might have made rhetorical appeals to independence supporters but their retail offer amounted to little.

And yet More in Common record that support for the SNP among those who voted Yes in the 2014 independence referendum dropped from 78% to 60% on 4th July. Without giving an inch on the national question, Scottish Labour romped to victory– outlasting the period for which the SNP's disparate electoral coalition could remain united.

Labour's success, however, relied just as much on establishing Scottish Labour as the primary party of the Union as it did on winning disaffected SNP votes. Such dependence on otherwise Conservative voters is what prevents Anas Sarwar's party from putting 'clear red water' between themselves and UK Labour. Successfully deployed in Wales, this strategy saw Welsh Labour devolve the national party's rule book and sign a co-operation agreement with Plaid Cymru. Faced with this electoral contradiction, the Scottish Labour leadership would rather pledge loyalty to an unpopular UK Government than make meaningful overtures to the 50% of the Scottish population who do not share their constitutional stance.

Already, Labour's 36 new Scottish MPs have been offered ample opportunity to "stand up to Starmer"– a promise Anas Sarwar made on the front page of the Daily Record during the general election campaign. Instead, they have almost unanimously fallen into line. The group voted to retain the two-child cap despite Sarwar's apparent opposition to this "heinous" policy. They also voted to means-test the Winter Fuel Payment just as Scottish Labour slammed the SNP for cutting the benefit north of the border– only to later blame the UK Government's decision, and by extension their own MPs' vote, for defeat in two critical local by-elections.

To the delight of his opponents, the incoherence of these positions has revealed the limits of Sarwar's influence on Downing Street. Rather than leveraging the Westminster group to illustrate Scottish Labour's independence, Scotland's Labour MPs have done the opposite, adding renewed impetus to the SNP's 'branch office' allegations. Scottish Labour's proximity to the national party has come to substitute for a coherent policy platform in Holyrood. The party's positions are defined less by the issues facing households across Scotland than by the UK Government's message calendar. More often than not, Scottish Labour's critique of the SNP is not political, but managerial.

Sarwar, for example, has promised not to raise taxes if elected in 2026, arguing that if only the Scottish Government had better managed the public finances, spending cuts would be unnecessary.

Earlier this year, the Scottish Labour leader backed the SNP's council tax freeze on the proviso that it was 'fully funded' but offered nothing as to how this might be achieved. On a whole host of questions, what Scottish Labour would do differently to the incumbent administration is anyone's guess.

For as long as this remains the case, Scottish Labour's fortunes will rise and fall with Keir Starmer's– a brave strategy given the Prime Minister's net favorability in Scotland dropped to-23 in late September. What's more, several of the UK Government's decisions have hamstrung Scottish Labour's ability to legitimately hold the SNP to account. Nowhere is this more obvious than in Grangemouth. Having shown limited interest in the future of Scotland's only oil refinery for years, the Scottish Government has treated Petroineos' decision to close the site with the same apathy. The seat consequently saw by far the largest swing in Scotland on election night– a 26% shift from the SNP to Labour. However, the new UK Government's failure to stump up the cash to save Grangemouth's refinery– and the more than 2,000 jobs that depend on it– has already seen Unite's General Secretary blast the Labour Party for overseeing an act of "industrial vandalism".

By the time Scotland next heads to the polls, Keir Starmer will have been in office for almost two years. If the Labour government squanders its opportunity to transform Britain– as Starmer's first few months suggest– the mid-term blues will be the least of Anas Sarwar's worries as he sets out his stall in 2026. By that point, it will be too late for Scottish Labour to carve out an agenda distinct from the national party. If Sarwar is to correct Scottish Labour's faltering trajectory, he must urgently confront the necessity of breaking, at least in part, from UK Labour.

REPEATING HISTORY: EU and Austerity

***Vince Mills**, Joint secretary of ROSE looks at the EU's history of "fiscal rectitude" and how the focus on debt and deficit will only repeat the mistakes of the past.*

According to Wolfgang Münchau's article in the *New Statesman* "Austerity is Coming For Europe":

"The West is confronted with more or less foreseeable fiscal shocks: defence spending, ageing populations, global trade and climate change; defence spending correlates strongly with perceived threats... Something has to give. What will it be?"

This was before German Finance Minister Christian Lindner who leads the conservative Free Democrats refused Germany's Chancellor Scholz's demand to loosen the spending limit known as a "debt brake" that requires German governments to balance the budget. As a consequence, the governing coalition has collapsed.

Given the UK media's obsession with Brexit, there has been very little discussion of how the UK's current economic strategy compares to that of the EU and its member countries. Because, despite all evidence to the contrary in terms of economic growth, or rather lack of it, damage to public services and increasing inequality, the EU is once again, despite what Scholz may be saying about Germany, endorsing austerity. The leadership of the EU (as defined by the EU's unelected commission and the EU Council, comprising a representative from each EU state) continues to argue for lower government spending with a view to decreasing deficits and national debts.

A deficit Is when a government spends more than it receives in tax and other revenues and has to borrow to cover the difference. If it does not, or cannot borrow, it has to either increase taxation or reduce public expenditure that funds health, education, and so on. The money borrowed becomes part of what is termed the 'national debt'.

Until Covid, the EU had strict rules about how much members of the Euro and the EU could borrow. These were established in 1997 through the Stability and Growth Pact (SGP). What it meant initially is that all EU members had to have a fiscal policy that kept the country within the limits of government deficit of 3% of GDP and a debt ratio of 60% of GDP. If a member state had a debt level above 60%, it was obliged to demonstrate an annual decrease.

"The EU is once again, despite what Scholz may be saying about Germany, endorsing austerity."

This "fiscal rectitude" proved catastrophic for some member states when the financial crisis of 2007/8 struck. Greece in particular suffered badly. Unable to fund its public expenditure it was obliged to seek bailouts from the Troika – the European Central Bank, the IMF and the European central Bank. The Troika then forced it to cut public spending, increase taxes and sell off national assets. The Troika even insisted that it ditch sectoral bargaining which was deemed to strengthen the collective position of workers. Greece has struggled ever since to achieve full economic recovery. Such was the rupture the austerity policies caused following the 2008 crisis between indebted countries mainly, but not all, in the in the south of Europe, under the acronym "PIIGS" (Portugal, Ireland, Italy, Greece, and Spain) and the wealthy north, the EU project itself was under threat.

So, when Covid created another crisis for the EU leadership, like most of the world's key capitalist countries, they took a different tack. The EU temporarily suspended the SGP to allow countries to increase their public expenditure, which was absolutely necessary to deal with the pandemic induced economic emergency.

That comparatively relaxed state of affairs has now ended. In April the European Parliament ratified a new set of fiscal rules that the Council proposed last December. As previously, the rules will require governments to maintain budget deficits and public debt below 3% and 60% of GDP, respectively. However, EU countries are now to be divided into high, medium, and low risk groups. High and medium risk countries must reduce their debt and/or deficits, while low risk countries are expected to maintain debt levels below 60% and deficits below 3%.

Member states had to prepare for autumn this year, a national plan outlining expenditure, reforms and investments that met EU criteria. Countries with excessive debt will have to reduce it on average by 1% per year, if their debt is above 90% of GDP, and by 0.5% per year on average if their debt is between 60% and 90% of GDP. If a country's deficit is above 3% of GDP, they will have to reduce this during "periods of growth" to reach a level of 1.5% of GDP, more stringent than the previous limit of 3%.

The European Trade Union Confederation and New Economics Foundation produced a study that found, in order to allow all member states to meet their social and green public investment needs, part of the EU criteria, an additional €300-420bn (2.1-2.9% of EU GDP) annually would be needed. Given these revised fiscal rules, only three countries — Denmark, Sweden, and, ironically, Ireland — could afford this level of investment.

It is not just member states who are expected to stay within rules of fiscal prudence. The EU itself wants to cut its expenditure. Many of the EU wide programmes that were most prized during the Brexit debates are threatened with cuts. MEPs, however, are fighting back. They rejected the EU Council's proposed €1.52 billion cuts in October to key EU programmes such as the Erasmus+ student mobility programme and the Horizon Europe research programme.

As Laura de Bonfils, secretary general at the umbrella organisation Social Platform said: "Europe risks repeating mistakes of the past, focusing on arbitrary debt and deficit ratios rather than prioritising an economy that works for the wellbeing of people and planet".

(Protest by European trade unions in Brussels on December 12, 2023, against looming austerity measures. Credit: MorningStar.)

DON'T THINK IT COULDN'T HAPPEN HERE

Stephen Low *suggests that an important response to the US election is to view it as a cautionary tale...*

The question we need to be asking about Donald Trump's victory is less, "How could anyone vote for this orange faced clown?" and more, "Why did voting for this orange faced clown seem like the best option?" This isn't anything (well not much) to do with gaining a better understanding of US political dynamics – it's more so we can avoid something similar happening here.

Sadly it seems that the most common question from a lot of the left is, "How could Americans be so stupid/sexist/racist?" This is generally asked rhetorically and followed up with an announcement about leaving twitter for BlueSky.

Attitudes that in their dismissal of vast swathes of the population played no small part in helping elect Donald Trump – again.

Back in November 2016, in these parts anyway, Donald Trump was far more likely to inspire laughter than horror; and hands up, I'd spent as much time chuckling at the absurd spectacle as anyone else.

The point I realised that the joke wasn't funny any more came the day before the election. The radio news was covering the candidates making their final pitch.

Hillary C's was "Love will trump hate". The Donald's was "If I'm President I'll make sure you get a job". One was basking in her own (and by extension her supporters') perceived moral superiority - Trump was promising something concrete to real people. It was the first point I thought, "he can do this".

Fast forward to 2024. BBC report on the final pitches; Harris "I'll listen to people who disagree with me"; Trump "I'll tackle inflation."

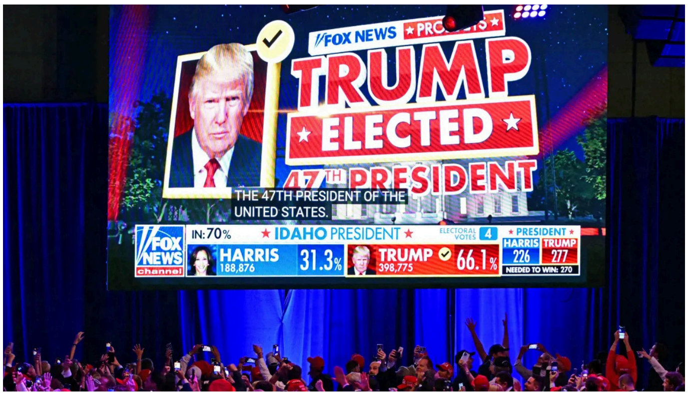
The 'second time as farce' vibes were strong; and sure enough.... It seemed that Trump's promise that tips would go untaxed was a bigger vote winner than the Kamala Harris pledge to "Bring back the joy". Who would have thought?

The tale told by exit polling is stark. Kamala Harris was the popular choice of US households earning over $200k.

Trump gained a majority, just, of those on $49,000 or under. This preference of wealthy for the Democrats and the poorer for the Republicans, as any number of people have pointed out, is class dealignment not realignment. This is evidenced by the way that even in States that didn't back Harris, there were any number of victories to improve minimum wages, support abortion rights, improve sick pay and similar. It's also a process that has been going on for quite some while and like any major shift has a variety of causes; but looming large among them is the Democrats shift from being the party of the New Deal to the purveyors of palliative neoliberalism.

As the State votes on individual measures show, workers were prepared to vote in their material interests – they just didn't think that's what the Democrats represented. And why would they?

While the Democrats spoke of job creation, a booming stock market, falling inflation and economic growth, 67% of voters described the economy as "not so good/poor". As well they might. Biden's own economic advisers reported in October that the share of income going to labor is lower now than it was under Trump.



In addition to this, over the last two years, ordinary US citizens have seen the removal of expansions of the child tax credit, Medicaid and unemployment insurance, while interest rates on cars, homes and credit cards have gone up and dominant firms have been allowed to sharply increase prices on essentials like food and energy, and of course rents.

The Democratic leadership has previously never supported a Bernie Sanders and Alexandria Ocasio-Cortez "Loan Shark Prevention Act" which would have capped credit card interest at 15% - Trump is proposing a 10% cap on credit cards.

Not that the mainstream of the Democratic party shows much sign of acknowledging that this is their failure. Rather they blame the electorate. "Our mistake was to think that we live in a better country than we do", was Rebecca Solnit's opening line in the Guardian.

Blame for the defeat was widespread: the media, silicon valley, young men and (naturally) Vladimir Putin. Immune from criticism was a campaign that had prioritised the college educated. And a class blind DEI (Diversity, Equity and Inclusion) agenda talked of coalition building but excluded both those who supported Palestine and those questioning the wisdom of putting male sex offenders in female prisons; only talked of raising the federal minimum wage as a panic measure two weeks from polling; and did worse than Joe Biden in every single county in the US.

Electorate blaming is par for the course closer to home with Owen Jones who tweeted in horror that, "I'm going back to my hotel in New York. With a Muslim Pakistani American cab driver... who voted for Donald Trump because "the prices were too high" under Biden". A left bewildered that voters will prioritise what Brecht called "the basic food position" is destined to fail – and not just in the US.

We have a Labour Government elected without being particularly popular -560,000 votes down on Corbyn's 2019 result with Reform polling 4 million in total and on a level of support that will see them in Holyrood.

People (rightly) don't give a monkey's when being told about how fantastic economic growth is if it hasn't shown up in their wages (or shown up only as profit spikes for supermarkets, energy companies and landlords). Nor should we doubt the capacity of Reform and their ilk to come up with appealing as well as appalling policies.

There are doubtless several things we should take from the Democrats failure. One thing though, and by no means the smallest is; if you want the working class to vote for your candidate you need to be addressing their concerns as a class and offering them remedies and improvements as a class.

"A left bewildered that voters will prioritise what Brecht called "the basic food position" is destined to fail."

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*If you have any enquiries, please email **Vince Mills**, vpmills@outlook.com*

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I HOPE THE WORKERS WILL BE GREATLY DARING IN THEIR DEMANDS, NOT ONLY FOR BETTER HOMES, BUT FOR A HIGHER STANDARD OF LIVING GENERALLY.

MARY BARBOUR